

**United States Department of the Interior
Bureau of Land Management**

**Finding of No Significant Impact
Environmental Assessment
DOI-BLM-CO-S010-2014-0003**

June 2014

**Summit Point Federal 1 Well Pad, Well Pad Access
Road, and Gathering Pipeline ROW**

Location: Bureau of Land Management Lands
San Miguel County, Colorado

Applicant/Address: CCI Paradox Upstream LLC
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FINDING OF NO SIGNIFICANT IMPACT
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INTRODUCTION:

The Bureau of Land Management (BLM) has conducted an environmental analysis (DOI-BLM-CO-S010-2014-0003) for a proposed action to address CCI Paradox Upstream LLC's Application for Permit to Drill and Right of Way Application for an oil and natural gas well and associated roads and pipelines. This project is located in the Summit Point area of San Miguel County. The project would allow for development of CCI Paradox Upstream LLC's Federal Lease COC-069518, consistent with the lease's terms and conditions, through drilling a well and, if successful, production of commercial quantities of oil and natural gas from this Federal oil and gas lease. The Proposed Action (Alternative B) includes drilling a new oil and natural gas well and constructing associated roads and pipelines. The underlying need for the proposal would be met while accomplishing the following objectives:

1. Extract commercial quantities of oil and natural gas from the lessee's Federal oil and gas leases, COC-069518, consistent with the lease's terms and conditions.

The project is located approximately 19 miles northwest of Dove Creek, Colorado in Section 6, Township 43 North, Range 19 West. The proposed pipeline would run from the well pad north to Section 31, 30, and 19 in Township 44 North, Range 19 West. The project is located on BLM surface. The project will create approximately 29.6 acres of disturbance, of which approximately 5 acres will be long-term (30 or more years). EA # DOI-BLM-CO-S010-2014-0003, available at the Tres Rios Field Office, is incorporated by reference for this Finding of No Significant Impact (FONSI). A no action alternative and one action alternative were analyzed in the EA.

FINDING OF NO SIGNIFICANT IMPACT:

Based upon a review of the EA and the supporting documents, I have determined that the project is not a major federal action and will not significantly affect the quality of the human environment, individually or cumulatively with other actions in the general area. No environmental effects meet the definition of significance in context or intensity as defined in 40 CFR 1508.27 and do not exceed those effects described in the 1985 San Juan/San Miguel RMP/FEIS and the 1991 RMP Amendment/FEIS. Therefore, an environmental impact statement is not needed.

This finding is based on the context and intensity of the project as described:

Context: The project is a site-specific action directly involving approximately 29.6 acres of BLM-administered land that by itself does not have international, national, regional, or state-wide importance."

Intensity: The following discussion is organized around the Ten Significance Criteria described in 40 CFR 1508.27 and incorporated into resources and issues considered (includes supplemental

environment that are considered to be highly uncertain or involve unique or unknown risks.

6. **The degree to which the action may establish a precedent for future actions with significant effects or represents a decision in principle about a future consideration.** Alternative B, with Conditions of Approval in Appendix A of the EA, is within the scope of the current Resource Management Plan (RMP) and is not expected to establish a precedent for future actions with significant effects or represent a decision in principle about a future consideration. The selected alternative was considered by the interdisciplinary team within the context of past, present, and reasonably foreseeable future actions. Significant cumulative effects are not predicted. A complete analysis of the direct, indirect, and cumulative effects of the selected alternative and all other alternatives is described in Chapter 4 of the EA.
7. **Whether the action is related to other actions with individually insignificant but cumulatively significant impacts – which include connected actions regardless of land ownership.** The interdisciplinary team evaluated the possible actions in context of past, present and reasonably foreseeable actions. Significant cumulative effects are not predicted. A complete disclosure of the effects of the selected alternative is contained in Chapter 4 of the EA.
8. **The degree to which the action may adversely affect districts, sites, highways, structures, or other objects listed in or eligible for listing in the National Register of Historic Places or may cause loss or destruction of significant scientific, cultural, or historical resources.** The project, with Conditions of Approval in Appendix A of the EA, will not adversely affect districts, sites, highways, structures, or other objects listed in or eligible for listing in the National Register of Historic Places, nor will it cause loss or destruction of significant scientific, cultural, or historical resources. A cultural inventory has been completed for the proposed action, and consultation with SHPO has been completed in accordance with Section 106 of the NHPA.
9. **The degree to which the action may adversely affect an endangered or threatened species or its habitat that has been determined to be critical under the Endangered Species Act of 1973, or the degree to which the action may adversely affect: 1) a proposed to be listed endangered or threatened species or its habitat, or 2) a species on BLM's sensitive species list.** Mitigating measures to reduce impacts to wildlife and fisheries have been incorporated into the design of the action alternatives and Conditions of Approval in Appendix A of the EA. Although one proposed endangered species (Gunnison sage-grouse), one candidate species (Schmoll's milkvetch) and eight wildlife and four plant species on BLM's sensitive species list have potential to occur in the project area, it has been determined that they will not be adversely affected because effects are short-term, on marginal or foraging habitat, or mitigation measures such as surveys are in place (Conditions of Approval in Appendix A of the EA). Gunnison sage-grouse do not occur in the area and proposed critical habitat does not meet the primary constituent elements for critical habitat. No other threatened or endangered plants or animals are known to occur in the area.
10. **Whether the action threatens a violation of a federal, state, local, or tribal law, regulation or policy imposed for the protection of the environment, where non-**

authorities Appendix 1 H-1790-1) and supplemental Instruction Memorandum, Acts, regulations and Executive Orders.

The following have been considered in evaluating intensity for this proposal:

1. **Impacts may be both beneficial and adverse.** The proposed action would affect resources as described in the EA. Mitigating measures to reduce effects to cultural resources, water resources, vegetation, invasive weeds, T&E species, wildlife and migratory birds were incorporated in the design of the action alternatives and in the Conditions of Approval in Appendix A of the EA. None of the environmental effects discussed in detail in the EA and associated appendices are considered significant, nor do the effects exceed those described in the 1985 San Juan/San Miguel RMP/FEIS and the 1991 RMP Amendment/FEIS.
2. **The degree to which the selected alternative will affect public health or safety** Alternative B is not expected to significantly affect public health and safety. As described in the EA, the proposed action could affect groundwater resources, air quality and vehicle traffic. Design Features proposed by CCI Paradox Upstream LLC and Conditions of Approval required by BLM will decrease the likelihood of these effects.
3. **Unique characteristics of the geographic area such as proximity to historic or cultural resources, park lands, prime farm lands, wetlands, wilderness, wild and scenic rivers, or ecologically critical areas.** The following components of the Human Environment and Resource Issues are not affected because they are not present in the project area: prime or unique farmlands, wilderness or wilderness study areas, floodplains, wetlands or riparian areas, or wild and scenic rivers.

Surveys were conducted for paleontological, cultural, historic, vegetative and wildlife resources. Cultural and Paleontological Resources components of the Human Environment and Resource Issues were analyzed in detail in Chapter 4. None of these would be significantly impacted because the project, with the Conditions of Approval in Appendix A of the EA, will avoid, or decrease the intensity of affect. These mitigations include avoiding cultural sites, monitoring pipeline trenching for cultural and paleontological resources, and reclaiming well pads and pipeline rights-of-way when not in use.

4. **The degree to which the effects on the quality of the human environment are likely to be highly controversial.** The effects on the quality of the human environment are not likely to be highly controversial. Oil and natural gas well drilling and road and pipeline construction has been occurring historically in the general area, and the effects are generally well understood. In addition, mitigation measures as described in the Conditions of Approval in Appendix A of the EA and incorporated into the selected action would reduce anticipated effects.
5. **The degree to which the possible effects on the human environment are highly uncertain or involve unique or unknown risks.** Effects associated with oil and gas well drilling and road and pipeline construction are well known and documented. CCI Paradox Upstream LLC operates over 100 active wells in San Miguel, CO and Montrose, CO County, and San Juan County, UT. There are no predicted effects on the human

federal requirements are consistent with federal requirements. The project does not violate any known federal, state, local or tribal law or requirement imposed for the protection of the environment. State, local, and tribal interests were given the opportunity to participate in the environmental analysis process, as outlined in EA Sections 1.7 and 5.3. In addition, the project is consistent with applicable land management plans, policies, and programs.



Connie Clementson
Field Manager
Tres Rios Field Office



Date

United States Department of the Interior Bureau of Land Management

Decision Record
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The selected alternative, Alternative B, with the Conditions of Approval in Appendix A of the EA, would approve one (1) Applications for Permit to Drill (APD) for the Summit Point Federal 1 oil and natural gas well, with the access roads and flowlines. In addition, that alternative would approve the associated Pipeline Right of Way Application. The selected alternative is Alternative B, with the Conditions of Approval in Appendix A of the EA as mitigation measures.

Authorities: The authority for this decision is contained in of the Mineral Leasing Act of 1920, as amended, the Mining and Minerals Policy Act of 1970 (30 U.S.C. 21), the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1761-1777), the Federal Onshore Oil and Gas Leasing Reform Act of 1987 (30 U.S.C. 195 et seq.), and applicable BLM Onshore Oil and Gas Orders (43 CFR 3160), as well as the 1985 San Juan/San Miguel Planning Area Resource Management Plan, and the 1991 San Juan/San Miguel Management Plan Amendment.

Compliance and Monitoring: Compliance will be conducted during the construction phase and drilling phase to insure that all terms and conditions specified in the lease and the approved APD are followed. In the event a producing well is established, periodic inspections as identified through the Inspection and Enforcement Strategy and independent well observations will be conducted. File inspections will include a review of all required reports and the Monthly Report of Operations will be evaluated for accuracy. The well location, access road and flowline and production line rights-of-way will be monitored during the term of the lease for compliance with pertinent Regulations, Onshore Orders, Notices to Lessees, or subsequent COAs until final abandonment is granted; monitoring will help determine the effectiveness of mitigation and document the need for additional mitigative measures. Responsibility for implementation of the compliance schedule and monitoring plan will be assigned to the Fluid Mineral staff in the Tres Rios Field Office. Inspectors include the Petroleum Engineering Technician, the Petroleum Engineer, Natural Resource Specialist, Lands and Realty Specialist, and Land Law Examiner.

Terms / Conditions / Stipulations: The Conditions of Approval listed in Appendix A of the EA.

PLAN CONFORMANCE AND CONSISTENCY:

The Proposed Action is subject to and has been reviewed for conformance with the following land use plan and amendment (43 CFR 1610.5, BLM 1617.3):

Plan: *San Juan/San Miguel Planning Area Resource Management Plan (RMP)*

Date Approved: September 1985

Page Number: Page 17 states —BLM actively encourages and facilitates the development by private industry of public land mineral resources so that national and local needs are satisfied and economically and environmentally sound exploration, extraction, and reclamation practices are provided.

Amendment: *San Juan/San Miguel Resource Management Plan Amendment Record of Decision (1991)*. The Final Environmental Impact Statement (FEIS) is also known as the Amendment to the RMP.

Date Approved: October 28, 1991

Page Number: Page 11 states that the objective is to —Facilitate orderly, economic, and environmentally-sound exploration and development of oil and gas resources using balanced multiple-use management. Also, page 2-2 of the FEIS states that: —In addition to this EIS, an Environmental Assessment (EA) will be completed on each Application for Permit to Drill or group of APDs.

The Proposed Action would fulfill the objective and intent of the 1985 San Juan/San Miguel RMP and 1991 Amendment that public land mineral resources be developed in an environmentally sound way, and thus is in conformance with the RMP.

Alternatives Considered: Alternative A, the No Action Alternative, considered denying the APD and ROW Application for the Summit Point Federal 1 well and pipeline. The Alternative B, with the Conditions of Approval in Appendix A of the EA, met the purpose and need and took care of pending issues, so no further alternatives were developed.

Rationale for Decision: Alternative B, with the Conditions of Approval in Appendix A of the EA, has been selected because it meets the purpose and need and has no pending issues. It approves the APD and ROW Application for the Summit Point Federal #1 oil and natural gas well. Alternative A, the No Action Alternative, would not fulfill the purpose and need of allowing for development of leased fluid minerals. No other alternatives were brought forward for analysis because Alternative B with the Conditions of Approval in Appendix A of the EA, met the purpose and need and took care of pending issues.

This action conforms to the above Resource Management Plans. Public scoping and comment period is described in Section 1.7 and 5.3. This included onsite tours and a 30-day public comment period. Three comments were received, two suggesting access road mitigations, and one concerned about air quality. These are located in the project file.

Protest/Appeal Language:

Application for Permit to Drill (43 CFR 3165.3(b))

Any party who is adversely affected by the decision of the State Director after State Director review, under 43 CFR 3165.3(b), of a decision may appeal that decision to the Interior Board of Land Appeals pursuant to the regulations set out in 43 CFR Part 4.

Right of Way under the Federal Land Policy Management Act (43 CFR 2801.10 (b))

This decision under this part (43 CFR 2801.10 (b)) remains in effect pending appeal unless the Secretary of the Interior rules otherwise, or as noted in this part. You may petition for a stay of a BLM decision under this part with the Office of Hearings and Appeals, Department of the Interior. Any appeal of this decision must follow the procedures set forth in 43 CFR part 4.



Connie Clementson
Field Manager
Tres Rios Field Office



Date